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IT.R.A. DOCKET ROOM

August 4, 2005

Chairman Ron Jones  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: Response of United Telephone-Southeast, Inc. to Petition for Arbitration of KMC Telecom III, LLC, KMC Telecom V, Inc. and KMC Data, LLC, Docket No. 04-00136

Dear Chairman Jones:

Pursuant to a Notice dated August 3, 2005 from Pre-Arbitration Officer Jean Stone, Sprint is filing this letter to inform the Tennessee Regulatory Authority that it no longer desires to pursue the issues it raised in its Response filed on June 1, 2004. In addition, counsel for KMC has correctly indicated in a letter filed with the Authority on July 25, 2005, that the parties have in fact reached a settlement in this docket and all pending issues have been resolved.

Please do not hesitate to contact me with any questions concerning this correspondence.

Sincerely yours,

Edward Phillips

HEP:sm

cc: Henry Walker